

CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Haskill Mountain Land Banking Tract- Sale # 202
Proposed Implementation Date:	Fall 2005
Proponent:	Montana Department of Natural Resources and Conservation
Location:	W1/2 NW1/4 Section 36-T27N-R23W (see map Attachment A)
Beneficiary:	Common Schools
County:	Flathead

I. TYPE AND PURPOSE OF ACTION

Offer for Sale at Public Auction, 80 acres of State Trust Land currently held in trust for the benefit of Public Schools. Revenue from the sale would be deposited in a special account used to purchase replacement lands meeting acquisition criteria related to legal access, productivity, potential income and proximity to existing state ownership, which would then be held in trust for the benefit of Public Schools. The proposed sale is part of a program called Land Banking authorized by the 2003 Legislature. The overall purpose of the program is for the Department of Natural Resources and Conservation to: Diversify uses of land holdings of the various trusts; improve the sustained rate of return to the trusts; improve access to State Trust Land, and; consolidate ownership.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

A legal notice was published in the Daily Interlake on February 24 and March 3, 2005 requesting comments be submitted on the proposal by April 4, 2005.

Scoping letters requesting comments were sent to interested parties including adjacent landowners (listed in the Flathead County records from the GIS website), the Flathead County Commissioners, District State Legislators, the Land Banking Negotiated Rulemaking Committee members, the Montana Department of Fish Wildlife and Parks and internally to DNRC Staff Specialists.

With the exception of the Departmental specialist's review of impacts as related in Sections 4, 5 and 7-9 below, no comments were received regarding the proposal.

A complete list of the individuals contacted is included in Attachment B of this EA.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

None

3. ALTERNATIVES CONSIDERED:

Proposed Alternative: Offer approximately 80 acres of State Trust Land for sale at Public Auction and subject to Statutes addressing the Sale of State Trust Land found in Title 77, Chapter 2, Part 3 of the Montana Codes Annotated. Proceeds from the sale would be deposited in the Land Bank Fund to be used in conjunction with proceeds from other sales for the purchase of other State Trust Land, easements, or improvements for the beneficiaries of the respective trusts, in this case Common Schools.

No Action Alternative: Defer inclusion of this tract in the Land Banking Program, maintain state ownership of this tract at this time and continue to manage for timber values.

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES* potentially impacted are listed on the form, followed by common issues that would be considered.
- Explain **POTENTIAL IMPACTS AND MITIGATIONS** following each resource heading.
- Enter "NONE" if no impacts are identified or the resource is not present.

4. **GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:**

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

Historic and existing management activities have not led to bare soil erosion. No direct or cumulative impact to soils is anticipated as result of the proposal. The State of Montana will retain the mineral rights

5. **WATER QUALITY, QUANTITY AND DISTRIBUTION:**

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

There are no stream channels located within the parcel. Historical management activities have resulted in no water yield impacts to the drainage in which it is located. No direct or cumulative impact to water quality, quantity or distribution is anticipated as result of the proposal.

6. **AIR QUALITY:**

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

Impacts to air quality may result from a variety of activities including road use, silvicultural burning, wildfires, vehicle emissions or heating system emissions among others. It is unknown what land use activities may be associated with a change in ownership, however the tract is a very small percentage of the valley airshed and no direct or cumulative effects are expected to air quality as a result of the proposal.

7. **VEGETATION COVER, QUANTITY AND QUALITY:**

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

Past management of the parcel has maintained historic vegetation cover. The parcel located in the Mount Creek watershed is forested, and has not had recent timber management. No direct or cumulative effects to vegetation would be expected as a result of the proposal.

8. **TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:**

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

The project area is on moose winter range. Moose, elk, and deer all likely use the area during the non-winter period. No direct or cumulative impacts to wildlife are anticipated as a result of the proposal.

9. **UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:**

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

The project area does not contain preferred bald eagle or Canada lynx habitats. Members of the Hog Heaven wolf pack have been documented within 3 air-miles of the project area and could pass through the area occasionally. The project area is not in a grizzly bear recovery zone or occupied habitat, and grizzly bear use is not expected.

Limited habitat for two sensitive species (pileated woodpecker and flammulated owl) occurs on the parcel. Foraging and nesting habitat exists for pileated woodpeckers on the state parcel and adjacent USFS ownership. Flammulated owl habitat is limited on the state parcel. State land in conjunction with adjacent US Forest

Service ownership may provide sufficient habitat to support flammulated owls. No direct or cumulative impact to wildlife is anticipated as result of the proposal.

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

The presence or absence of antiquities is presently unknown. A class III level inventory and subsequent evaluation of cultural and paleontologic resources will be carried out if preliminary approval of the parcel nomination by the Board of Commissioners is received. Based on the results of the Class III inventory/evaluation the DNRC will, in consultation with the Montana State Historic Preservation Officer, assess direct and cumulative impacts.

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

There are no prominent topographic features on the State Trust Land. Adjacent land to the east of the tract is occupied by low-density rural residential and agricultural uses and the tract is visible from the valley bottom where the county road and these uses occur. However, the State Trust Land does not provide any unique scenic quality not also provided by adjacent lands. No direct or cumulative impact to aesthetics is anticipated as result of the proposal.

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:

Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

This 80-acre tract is part of the Common School Trust of which there are more than 4.6 million acres within the state. The Land Banking statutes limit the sale of State Trust Land to a maximum of 20,000 acres prior to purchasing replacement lands. The potential sale of this tract would affect an extremely small percentage of the Common School Trust Land if replacement land was not purchased before the statute expires and even less impact if replacement land is purchased as anticipated.

The potential transfer of ownership would not have any impact or demands on environmental resources of Land water, air or energy.

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:

List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

This tract is currently managed under the State Forest Land Management Plan.

This 80-acre tract is part of a MEPA review currently being conducted to review a request for permanent easement for all lawful purposes to Plum Creek Timber L.P. to access their 40-acre parcel adjacent to the North boundary of the subject parcel. If the State were to grant Plum Creek an easement and the land banking proposal were to proceed, then the parcel would be appraised and sold subject to the easement. There are no other known state or federal actions in the vicinity and no other known future actions proposed by the state which would have cumulative impacts with this proposal.

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" if no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:

Identify any health and safety risks posed by the project.

No impacts to human health and safety would occur as a result of the proposal.

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:

Identify how the project would add to or alter these activities.

The sale of the State Trust Land would be subject to all existing easements and would not affect the rights of easement deed holders.

Any change in land use would be subject to review under state and local regulations intended to address impacts to local industrial, commercial and agricultural activities. No direct or cumulative impacts are anticipated as a result of the proposal.

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:

Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

The proposal would have no affect on quantity and distribution of employment.

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:

Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

Currently the tract is not assessed taxes. If the property were to be sold and purchased by a private landowner, Flathead County would receive the added assessments.

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

Any-change in land use would be subject to review under state and local regulations. No direct or cumulative impacts to government services are anticipated as a result of the proposal.

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

The tract is currently not zoned but falls within the agricultural/silvicultural use designation in the Flathead County Master Plan. Any future uses would be guided by this document and the Flathead County Subdivision Regulations.

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

The tract of State Trust Land does not provide access to any recreational or wilderness areas in the vicinity. The access to the adjacent Flathead National Forest Land is not affected by activities on the State Trust Land. Recreational use of the parcel is light and is primarily limited to hunting. The access road to this parcel is controlled by the U.S. Forest Service and remains closed with the exception of limited resource management activities.

The potential transfer of ownership on this tract may have an impact on the ability of the adjacent landowners to continue their use this land for recreational purposes. It is unknown what recreational uses would be allowed under different ownership.

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

The sale of this tract would not require additional housing or impact population changes. It is unknown what land uses would occur under new ownership. Any future proposal to develop the property and increase housing would be subject to review under applicable state and local land use regulations.

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

There are no native, unique or traditional lifestyles or communities in the vicinity that would be impacted by the proposal.

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

The sale of the State Trust Land would not directly or cumulatively impact cultural uniqueness or diversity. It is unknown what management activities would take place on the land if ownership was transferred.

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

Historic income from this tract has included one timber sale in 1944 generating \$2,233, and approximately ten Christmas tree permits sold between 1944 and 1975 averaging less than \$100/permit. The land has generated approximately \$53.00/year for the past sixty years for the timber management. More recently, limited income has been generated through the issuance of a Temporary Road Use Permit to Plum Creek Timber Company for a short stretch of road used to access management of the 40 acre parcel located north-adjacent. Current negotiations are underway with Plum Creek Timber Company to grant a permanent easement through the subject parcel in exchange for access to State Trust Lands through Plum Creek lands elsewhere. This tract is considered below average in productivity and producing below average revenue per acre. There is no indication the tract, if remaining in state ownership, would be used for purposes other than timber production and it is likely the future income would remain relatively stable due in part to access limitations.

An appraisal of the property value has not been completed to date. Under DNRC rules, the appraisal would be conducted after preliminary approval to proceed is granted by the Board of Land Commissioners and the Department is conducting more detailed evaluations in order to make a final determination on whether to offer the tract for sale. MT DNRC Appraiser has reviewed sales information in the area and has estimated that the land would appraise out to "at least" \$2,000 per acre as is (with respect to access – or lack thereof).

Based on the timber management income (approximately \$3233/61 years), and the estimated land value (\$2000/acre), the Rate of Return for this parcel is 0.00033%.

The latest stand level inventory data indicates 933 MBF of standing timber on the property. Based on this data and a \$150 - \$200 per MBF stumpage rate an additional estimated timber value of \$140,000 – \$187,000 (or \$1,750 -\$2,300 per acre respectively) may be realized.

The estimated value of the timber stand (\$2025/acre) is \$162,000. If you consider the timber as part of the land value then the Rate of Return for the parcel is 0.016%.

Average Rate of Return from Net Revenue FY 2002 - FY2004 for classified Forestlands in the NW Land Office= 0.75%.

Land Banking statute requires that land acquired as replacement property through Land Banking is "likely to produce more net revenue for the affected trust than the revenue that was produced from the land that was

sold" (Section 77-2-364 MCA). Property considered for acquisition will include cropped or irrigated land, and/or land with recreational, timber, or commercial potential. All these land classifications or uses presently produce a higher rate of return on State Trust land than this parcel of State Trust land.

This would indicate a higher return on asset value could be expected under the Proposed Alternative (Sell).

EA Checklist Prepared By:	Name: Steve Lorch	Date: 6/1/2005
	Title: Land Use Planner, Kalispell Unit	

V. FINDING

25. ALTERNATIVE SELECTED:

I have selected the proposed alternative and recommend the tract receive preliminary approval for sale and continue with the Land Banking process.

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

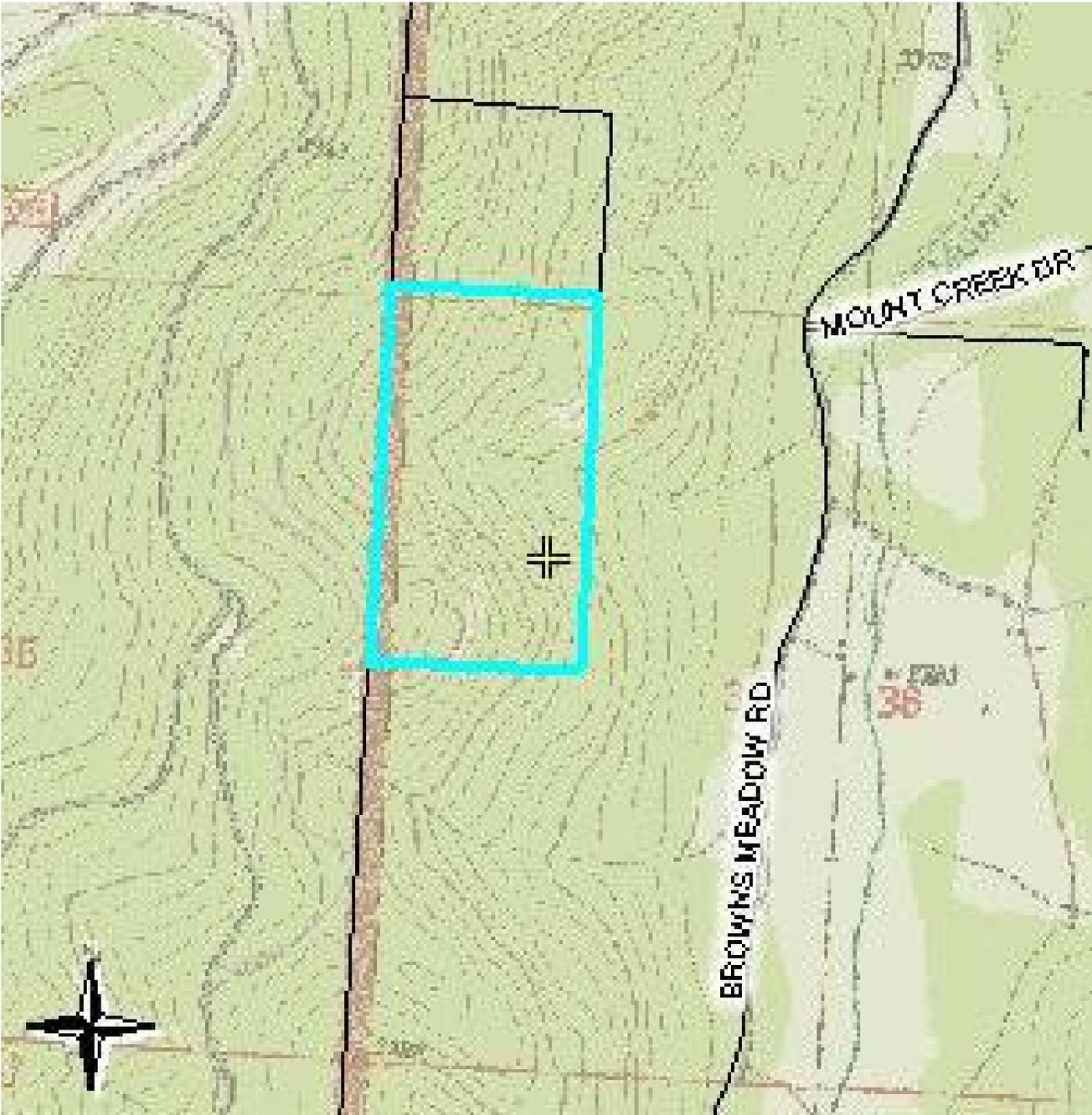
I have evaluated the one comment received and potential environmental affects as described in this document and have determined significant environmental effects would not result from the proposed land sale. The tract does not have any unique characteristics, critical habitat or environmental conditions indicating the tract should necessarily remain under management by the Department of Natural Resources and Conservation. There are no indications the tract would produce substantially greater revenue or have substantially greater value to the Trust in the near future.

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

EIS
 More Detailed EA
 No Further Analysis

EA Checklist Approved By:	Name: Greg Poncin
	Title: Kalsipell Unit Manager, Northwestern Land Office
Signature:	Date: June 1, 2005

Attachment A – Map
Subject property outlined in blue located in the W2 NW4 Section 36, T27N, R23W



Haskill Scoping List

All members of Land Banking Negotiated Rule Making Committee

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Montanans for Multiple Use
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Adjacent landowners

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